

Governor Schweitzer: No Tax Increase Due to Reappraisal
Revenue Director to Present Reappraisal Work Plan at Legislative Committee

(HELENA) – Governor Brian Schweitzer said today that his administration will be proposing legislation that will ensure there is no statewide tax increase due to property tax reappraisal. Reappraisal is required by the Montana Constitution about every six years.

“We have cut more taxes for more Montanans than any other time in history,” said Governor Brian Schweitzer. “There will be no increase in total state property taxes due to reappraisal. We will propose legislation to make sure that on a statewide basis homeowners, commercial property owners and farmers and ranchers don’t see taxes increase due to reappraisal.”

Property tax reappraisal must be complete by January 1, 2009. The new values will be used to set property taxes payments due in November of 2009 and May of 2010.

The Montana Constitution requires that “The state shall appraise, assess and equalize the valuation of all property.” Approximately every six years the state establishes and equalizes new values for property for agricultural, residential, and class 4 commercial property, and timberlands.

The last time values were updated was January 1, 2003. The legislature phased in the new values over time, increased the homestead and comstead exemptions, and reduced the class 4 tax rate to mitigate the increase in market values of property.

There will be substantial changes in values of property in 2009 due to rising property values during the six year cycle. The Department of Revenue is also undertaking the first comprehensive reappraisal of agricultural and timberland in 40 years.

“All of that calls for a comprehensive plan to insure that we do what the constitution requires of us, to equalize the valuation of property – not to increase the taxes,” said Governor Schweitzer.

Dan Bucks, Director of the Department of Revenue will present the reappraisal work plan to the Revenue and Transportation Committee, which is meeting today in Helena.

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